

## **STATEMENT OF PURPOSE**

### **RS21777C2**

This legislation limits the amount of compensation (guaranteed payments) paid to a partner by a partnership doing business in Idaho that can be attributed to the state in which the partner performed the services to \$250,000. Amounts paid in excess of \$250,000 will be sourced to Idaho based upon the Idaho apportionment factor. The \$250,000 limit will be adjusted each year for inflation.

The legislation also clarifies that all compensation paid to a retired partner is sourced to the partner's state of domicile.

### **FISCAL NOTE**

Estimated \$440,000 annually

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